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INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHDE/AMCONSUL DUBAI PRIORITY 0071
RUEHBS/USEU BRUSSELS PRIORITY
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0222
RUEHNO/USMISSION USNATO PRIORITY 8832
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0391

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SUBJECT: IRAN/EXPORT CONTROLS - GERMAN UPDATE ON EU EFFORTS
TO DRAFT IRAN-SPECIFIC WATCHLIST

Classified By: EMIN Robert F. Cekuta for reasons 1.4 (b),
(d), and (e).

¶1. (C) German MFA Export Control Division Deputy Director Markus Klinger provided Global Affairs officer September 22 with an update on EU3 efforts to raise awareness in other EU capitals of the risk of diversion of sensitive technology to Iran's nuclear and missile programs. As part of an effort to persuade EU member states to tighten their export controls concerning Iran, Klinger said, Germany, France, and the UK have been demarching EU capitals to urge EU members to "exercise the utmost vigilance" concerning the export of dual-use and other sensitive goods to Iran.

¶2. (C) Klinger said the EU3 began using expert-level discussions in relevant EU fora in May 2006 to promote the idea of an EU-wide, Iran-specific watchlist. Klinger said EU members have reacted positively, but progress to date has been slow. Draft lists under discussion include NSG- and MTCR-listed goods, along with some items covered by the Australia Group and Wassenaar Arrangement. Klinger said draft lists also include some non-listed goods that could be used to advance a nuclear or missile program.

¶3. (C) Klinger said Germany strongly favors a presumption of denial for watchlisted goods, but has encountered resistance from some EU member states. Klinger said many EU members continue to cite domestic pressure from industry to exclude certain sensitive technologies. Klinger said German demarches have pointed out that industry would benefit from clear and consistent guidance in the form of a watchlist.

¶4. (C) In response to a question, Klinger speculated formulation of a similar entities list would prove far more problematic, particularly with respect to achieving consensus on which type of entities to include and whether such a list would serve as a blacklist or just raise red flags.

TIMKEN JR